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IN THE

Supreme Court of the United States

OCTOBER TERM 1974

No. 74-1033

C. MARSHALL DANN, COMMISSIONER OF PATENTS & TRADEMARKS,

Petitioner,

v.

THOMAS R. JOHNSTON,

Respondent.

On Petition for Writ of Certiorari to the United States Court of Customs and Patent Appeals

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MOTION FOR LEAVE TO FILE BRIEF AMICUS CURIAE AND BRIEF AMICUS CURIAE FOR THE COMPUTER & BUSINESS EQUIPMENT MANUFACTURERS ASSOCIATION (CBEMA)

JOHN S. VOORHEES
KENNETH E. KROSIN
RICHARD A. KLEINE
1730 Pennsylvania Avenue, N.W
Washington, D.C. 20006
Counsel for
Computer & Business Equipment
Manufacturers Association
(CBEMA),
Amicus Curiae

Of Counsel:

HOWREY, SIMON, BAKER
& MURCHISON
1730 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

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MOTION FOR LEAVE TO FILE BRIEF AMICUS CURIAE

The Computer & Business Equipment Manufacturers Association (CBEMA) respectfully moves for leave to file the attached Brief Amicus Curiae in the above-entitled case. Petitioner has consented to the filing of this brief. The consent of respondent was requested but refused.

CBEMA is the trade association which along with its predecessor association, the Business Equipment Manufacturers Association, has represented the computer and

business equipment industry for the past 59 years. The companies comprising the current CBEMA membership include the nation's leading manufacturers of computers and computer-related equipment. While product lines of member companies vary widely, the following list is illustrative: electronic computers, computer software including programs, computer input and output devices, computer storage devices, support services, data transmission equipment, optical character readers, addressing machines, accounting machines, bookkeeping machines and office copying machines. The extent to which such equipment can be utilized effectively depends in great measure on the applications and systems programs developed by computer programmers to control the operations of these machines. CBEMA is also the approved sponsor under the American National Standards Institute (formerly the American Standards Association) for the establishment of domestic and international standards related to information processing, computers and office machines.

The members of CBEMA who manufacture computer products have consistently been forerunners in achieving major developments, in both the concept and application, of computer programming and data processing, and have contributed greatly to the present significant status and role of the computer in modern society. These members maintain and support extensive activities devoted to applied research and systems development in all phases of computer use and data and information processing.

Not only is the subject matter of the present suit of vital concern to the CBEMA membership, and to non-CBEMA members in the comptuer and data processing field, it is also of vital concern to the Government and to the public generally. The final outcome of the issues squarely presented in this case will have a significant influence upon both the immediate and the future planning of CBEMA members with respect to ways and means of

protecting the proprietary fruits resulting from computer program research and development. Thus, the outcome of the present case will inevitably affect the future growth and development of the data processing industry in the United States and will have a corresponding or greater impact on the vast segments of our society which use and receive the benefits of technological advances in this industry.

The attached Brief Amicus Curiae presents together two important and closely related aspects of this case which were not fully treated in the Solicitor General's petition:

(1) The critical confusion caused by the decision of the Court below in the wake of this Court's decision in *Gottschalk* v. *Benson*, 409 U.S. 63 (1972); and

(2) The resulting economic impact of major proportions upon the public, the computer industry, and computer users, including the Government.

Accordingly, CBEMA respectfully requests that this Court grant leave to file the attached Brief Amicus Curiae.

Respectfully submitted,

JOHN S. VOORHEES
KENNETH E. KROSIN
RICHARD A. KLEINE
1730 Pennsylvania Avenue, N.W.
Washington, D.C. 20006
Counsel for
Computer & Business Equipment
Manufacturers Association
(CBEMA),
Amicus Curiae

Of Counsel:
HOWREY, SIMON, BAKER
& MURCHISON
1730 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

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BRIEF AMICUS CURIAE FOR THE COMPUTER & BUSINESS EQUIPMENT MANUFACTURERS ASSOCIATION (CBEMA)

I

QUESTION PRESENTED

Whether an existing general purpose computer programmed to perform a financial accounting function comprises subject matter which may be patented under 35 U.S.C. § 101 when claimed as a "machine system" for financial accounts.

II

INTEREST OF THE COMPUTER & BUSINESS EQUIPMENT MANUFACTURERS ASSOCIATION

This Brief Amicus Curiae is submitted by the Computer & Business Equipment Manufacturers Association (CBEMA) in accordance with Rule 42(1) of this Court. Petitioner has consented to the filing of this brief. The consent of respondent was requested but refused.

CBEMA is the trade association which along with its predecessor association, the Business Equipment Manufacturers Association, has represented the computer and business equipment industry for the past 59 years. The companies comprising the current CBEMA membership include the nation's leading manufacturers of computers and computer-related equipment. While product lines of member companies vary widely, the following list is illustrative: electronic computers, computer software including programs, computer input and output devices, computer storage devices, support services, data transmission equipment, optical character readers, addressing machines, accounting machines, bookkeeping machines and office copying machines. The extent to which such equipment can be utilized effectively depends in great measure on the applications and systems programs developed by computer programmers to control the operations of these machines. CBEMA is also the approved sponsor under the American National Standards Institute (formerly the American Standards Association) for the establishment of domestic and international standards related to information processing, computers and office machines.

The members of CBEMA who manufacture computer products have consistently been forerunners in achieving major developments, in both the concept and application,

of computer programming and data processing, and have contributed greatly to the present significant status and role of the computer in modern society. These members maintain and support extensive activities devoted to applied research and systems development in all phases of computer use and data and information processing.

Not only is the subject matter of the present case of vital concern to CBEMA members and non-CBEMA members in the computer and data processing field, it is also of vital concern to users of computer equipment, including the Government, and the public generally. The final resolution of the issues presented in this case will have a significant influence upon both the immediate and the future planning of CBEMA members with respect to ways and means of protecting the proprietary fruits resulting from computer program research and development. Thus, the outcome of the present case will inevitably affect the future growth and development of the data processing industry in the United States and will have a corresponding or greater impact on the vast segments of our society which use and receive the benefits of technological advances in the industry.

III

REASONS FOR GRANTING THE WRIT

A. The decision of the Court below has created substantial confusion in the wake of this Court's decision in *Gottschalk* v. *Benson*.

In *Gottschalk* v. *Benson*, 409 U.S. 63 (1972), this Court held that a mathematical process embodied in a computer program for use in a general purpose digital computer was not a patentable process within the meaning of 35 U.S.C. § 100(b). In the decision below the Court of Customs and Patent Appeals held that a pro-

grammed general purpose computer claimed as a new "machine system" constitutes patentable subject matter under 35 U.S.C. § 101. However, it is not clear whether the decision below is limited to an interpretation that such a "machine system" is patentable technological art, or an interpretation which enables a patent draftsman to circumvent this Court's holding in *Gottschalk* v. *Benson*. As explained by Judge Rich in his dissenting opinion below, every competent patent draftsman can write process claims in machine system form. Thus, if the lower Court decision stands without clarification, it would appear that patent applicants will be able to obtain patents to machine systems that encompass computer programs simply by drafting claims in the form of such machine systems.

The possibility that this Court's holding in *Gottschalk* v. *Benson* can be obviated by routine claim drafting techniques can only lead to substantial confusion. On the one hand, the decision below holds that machine system claims encompassing computer programs satisfy the requirements for patentability. On the other hand, in keeping with Judge Rich's dissent below, it can be argued that this Court's holding in *Gottschalk* v. *Benson* would be undermined simply by making semantic changes.

B. A final resolution of this case is necessary because it will have a significant economic impact upon the public, the computer industry, and computer users, including the Government.

The confusion and uncertainty created by the decision below in light of *Gottschalk* v. *Benson* will have an economic impact of major proportions that further amplifies the necessity for clarification by this Court. The areas in which the economic impact will be most strongly felt are as follows:

(1) *With Respect to Inventors*: Should the Solicitor General's petition for a writ of certiorari be denied, inventors of computer programs will have to determine whether or not to invest significant human and tangible resources to prepare and prosecute "machine system" patent applications. Situations will arise where a prior inventor refrains from filing such a patent application because of the uncertainty and confusion caused by the holding of the Court below and subsequent inventors will file for and be issued patents presumed valid. Inevitably, time consuming and expensive litigation will follow in order to resolve the conflicting claims.

(2) *With Respect to Practice Before the U.S. Patent and Trademark Office*: If the Solicitor General's petition for a writ of certiorari is denied, the decision below must be interpreted against this Court's holding in *Gottschalk* v. *Benson* by scores of Examiners in the United States Patent and Trademark Office. As a result of the inherent inconsistency between these two opinions, the patentability of "machine systems" will be subject to a wide range of interpretation by the Examiners. Administrative guidelines may limit the extent to which Examiners shall apply these varied interpretations to pending patent applications, but such guidelines will not ensure consistent and uniform interpretations. Inconsistent application of controlling legal principles inevitably will result in protracted patent application prosecution time within the Patent and Trademark Office and costly and time consuming administrative and judicial appeals. This inefficient and wasteful administrative and judicial effort will work to the economic detriment of the public, the Patent and Trademark Office, the courts, and the patent applicants themselves.

(3) *With Respect to Patent Litigation*: Should the Solicitor General's petition for a writ of certiorari be

denied, all patents with claims to "machine systems" based upon computer programs will issue under a cloud of invalidity. Costly and time consuming litigation to resolve conflicting claims to patentable inventions is inevitable. Moreover, licensing such patents will be nothing more than an expensive guessing game with potentially grave economic impact. Parties may be forced into costly litigation to determine patent validity or forced into costly settlements to avoid the significant expenses of litigation.

(4) *With Respect to Government Contracting*: If the Solicitor General's petition for a writ of certiorari is denied, there will be uncertainty with respect to the obligations of Government contractors with resulting economic impact. For example, if a "Subject Invention" under a Government contract is a "machine system" for a programmed general purpose computer, the expenses incurred by the contractor and Government will vary greatly, depending upon whether or not the invention is patentable. Clarification of the decision below will enable Government contractors to ascertain the proper procedures to follow and will eliminate unnecessary and wasteful expenditures.

(5) *With Respect to the Public Generally*: Should the Solicitor General's petition for a writ of certiorari be denied, the questions herein inevitably will be presented to this Court at a future time. If the question reaches this Court through appeal of Federal Circuit Court decisions in patent infringement or licensing actions, a period of several years will have elapsed. Substantial numbers of potentially invalid patents will have been issued in the interim having a correspondingly significant anti-competitive effect upon all areas of commerce and industry touched by computers and computer use.

C. The question presented by the decision below should be reviewed now.

Since the practical result of the decision below will be to bring about an era of uncertainty and confusion in the data processing industry and specifically in the development of computer programs, CBEMA submits that the question presented herein should be determined now with finality. Until the issues are resolved by this Court, those who create and use programs may be compelled to operate in an atmosphere of confusion, distrust and secrecy, and will find it necessary frequently to engage in protracted and costly litigation. It can be anticipated that many of the computer program related patents issued by the United States Patent and Trademark Office as a result of the lower Court's holding will be licensed, and that users will have the option of either accepting the license terms or contesting the validity of the patents in infringement litigation. In such litigation, the user's most basic defense will be that "machine systems" for programmed general purpose computers are not patentable subject matter under the Constitution and the Patent Code, 35 U.S.C. § 101. The decision of the Court of Customs and Patent Appeals in this case will not be binding precedent on the various Federal District Courts and Circuit Courts of Appeals which must decide these infringement suits, and in view of the substantial difference of opinion on this question, it is reasonable to expect that conflicting decisions will occur.

To defer review of the issue of patentability of "machine systems" for programmed general purpose computers until patent infringement litigation eventuates and matures to the point of reaching this Court years hence will simply multiply the opportunities for endless litigation.

CONCLUSION

For the foregoing reasons, we respectfully submit that the Solicitor General's petition for a writ of certiorari should be granted.

Respectfully submitted,

JOHN S. VOORHEES
KENNETH E. KROSIN
RICHARD A. KLEINE
1730 Pennsylvania Avenue, N.W.
Washington, D.C. 20006
Counsel for
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